

107TH CONGRESS
2D SESSION

H. R. 4646

To remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

IN THE HOUSE OF REPRESENTATIVES

MAY 2, 2002

Mr. DINGELL (for himself, Mr. VISCLOSKY, Mr. LAHOOD, Mr. PHELPS, Mr. BROWN of Ohio, Mr. GEPHARDT, Mr. MURTHA, Mr. ROSS, Mr. SAWYER, Mr. QUINN, Mr. HOLDEN, Mr. CARDIN, Mr. STUPAK, Mr. KUCINICH, Mrs. JONES of Ohio, Mr. STRICKLAND, Mr. LEVIN, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. OBERSTAR, Mr. DOYLE, Mr. COYNE, Mr. CONYERS, Ms. PELOSI, Mr. FROST, Mr. BONIOR, Mr. SHIMKUS, Ms. KAPTUR, Mrs. LOWEY, Ms. DELAURO, Mr. LAFALCE, Mr. SERRANO, Mr. HORN, Mr. CLYBURN, Mr. OLVER, Mrs. MEEK of Florida, Mr. EDWARDS, Mr. KENNEDY of Rhode Island, Mr. HINCHEY, Ms. ROYBAL-ALLARD, Mr. JACKSON of Illinois, Ms. KILPATRICK, Ms. RIVERS, Mr. FATTAH, Mr. LIPINSKI, Mr. KLECZKA, Mr. RAHALL, Mr. MASCARA, Mr. BLAGOJEVICH, Mr. PALLONE, Mr. LYNCH, Ms. BROWN of Florida, Mr. HILLIARD, Mr. COSTELLO, Mr. GREEN of Texas, Mr. McNULTY, Ms. CARSON of Indiana, Mr. SANDERS, Mr. BARCIA, Mr. TOWNS, Mr. SANDLIN, Mr. DAVIS of Illinois, Mr. RUSH, Mr. MATHESON, Ms. LEE, Mr. CARSON of Oklahoma, Mr. KILDEE, Mr. CLAY, Mr. GORDON, Ms. DEGETTE, Mr. CUMMINGS, Mr. BOSWELL, Mr. REYES, Ms. BERKLEY, Mr. WEINER, Mr. LANTOS, Mr. MOORE, Mrs. MCCARTHY of New York, Ms. MILLENDER-McDONALD, Ms. SLAUGHTER, Mr. HOLT, Mr. MALONEY of Connecticut, Mr. MCGOVERN, Mr. BISHOP, Mr. ENGEL, Mr. EVANS, Mr. FILNER, Mr. UDALL of New Mexico, Mr. RODRIGUEZ, Ms. MCKINNEY, Mr. HOFFEL, Mr. BACA, Mr. ABERCROMBIE, Mr. NADLER, Mr. GUTIERREZ, Mr. WYNN, and Mr. PAYNE) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; CONGRESSIONAL FINDINGS AND**
 4 **PURPOSE.**

5 (a) SHORT TITLE.—This Act may be cited as the
 6 “Steel Industry Legacy Relief Act of 2002”.

7 (b) CONGRESSIONAL FINDINGS AND PURPOSE.—

8 (1) FINDINGS.—Congress finds the following:

9 (A) The United States Department of
 10 Commerce has documented that American steel-
 11 workers and their employers have been forced
 12 over the last 30 years to compete in a global
 13 steel market in which foreign governments have
 14 engaged in market distorting practices that to
 15 this day sustain enormous overcapacity in world
 16 steel supplies.

17 (B) The United States International Trade
 18 Commission, in its recent investigation of steel
 19 imports to the United States under section 201
 20 of the Trade Act of 1974, has concluded that
 21 surges of imported steel since the Asian crisis

1 of 1997 have caused serious injury to American
2 producers of most steel products.

3 (C) Since 1997, 33 American steel compa-
4 nies have been forced to seek bankruptcy pro-
5 tection, over 45,000 steelworkers have lost their
6 jobs, and over 100,000 steel retirees have suf-
7 fered a complete cutoff of vital medical benefits.

8 (D) Many steel industry retirees were
9 forced into retirement as a result of the
10 restructurings of the 1980's and 1990's, and
11 then, as a second blow, recently lost their re-
12 tiree medical insurance.

13 (E) Recent steel imports have pushed steel
14 prices to such record lows that surviving Amer-
15 ican steelmakers face imminent financial col-
16 lapse, and these firms employ over 185,000
17 workers in family-supporting jobs and provide
18 crucial medical coverage to hundreds of thou-
19 sands of retirees and beneficiaries.

20 (F) As American steel companies continue
21 to weaken or fail, a very different trend is un-
22 derway in other countries where governments
23 shoulder a substantial portion of retirement
24 costs and foreign steelmakers are now merging

1 into companies of unprecedented size and mar-
2 ket influence.

3 (G) If the American steel industry is to
4 survive and compete, it must transform itself
5 from a group of relatively small producers into
6 a consolidated market force.

7 (H) For many American steel companies,
8 the ability to consolidate is undermined by the
9 burden of retiree health obligations.

10 (2) PURPOSE.—It is the purpose of this Act to
11 ensure that—

12 (A) retired steelworkers receive health care
13 benefits coverage; and

14 (B) the American steel industry can con-
15 tinue to provide livelihoods to tens of thousands
16 of American workers, their families, and com-
17 munities through the receipt of assistance in
18 consolidating its position in world steel markets.

19 **SEC. 2. DEFINITIONS.**

20 (a) TERMS RELATING TO BENEFITS PROGRAM.—For
21 purposes of this Act:

22 (1) RETIREE BENEFITS PROGRAM.—The term
23 “retiree benefits program” means the Steel Industry
24 Retiree Benefits Protection Program established

1 under this Act to provide medical benefits to eligible
2 retirees and beneficiaries.

3 (2) STEEL RETIREE BENEFITS.—

4 (A) IN GENERAL.—The term “steel retiree
5 benefits” means medical, surgical, or hospital
6 benefits, whether furnished through insurance
7 or otherwise, which are provided to retirees and
8 eligible beneficiaries in accordance with an em-
9 ployee benefit plan (within the meaning of sec-
10 tion 3(3) of the Employee Retirement Income
11 Security Act of 1974) which—

12 (i) is established or maintained by a
13 qualified steel company or an applicable
14 acquiring company; and

15 (ii) is in effect on or after January 1,
16 2000.

17 Such term includes benefits provided under a
18 plan without regard to whether the plan is es-
19 tablished or maintained pursuant to a collective
20 bargaining agreement.

21 (B) RETIREE.—

22 (i) IN GENERAL.—The term “retiree”
23 means an individual who has met any
24 years of service or disability requirements
25 under an employee benefit plan described

1 in subparagraph (A) which are necessary
2 to receive steel retiree benefits under the
3 plan.

4 (ii) CERTAIN RETIREES INCLUDED.—
5 An individual shall not fail to be treated as
6 a retiree because the individual—

7 (I) retired before January 1,
8 2000; or

9 (II) was not employed at the
10 steelmaking assets of a qualified steel
11 company.

12 (b) TERMS RELATING TO STEEL COMPANIES.—For
13 purposes of this Act:

14 (1) QUALIFIED STEEL COMPANY.—

15 (A) IN GENERAL.—The term “qualified
16 steel company” means any person which on
17 January 1, 2000, was engaged in—

18 (i) the production or manufacture of a
19 steel mill product;

20 (ii) the mining or processing of iron
21 ore or beneficiated iron ore products; or

22 (iii) the production of coke for use in
23 a steel mill product.

24 (B) TRANSPORTATION.—The term “quali-
25 fied steel company” includes any person which

on January 1, 2000, was engaged in the transportation of any steel mill product solely or principally for another person described in subparagraph (A), but only if such person and such other person are related persons.

(C) SUCCESSORS IN INTEREST.—The term “qualified steel company” includes any successor in interest of a person described in subparagraph (A) or (B).

(2) STEELMAKING ASSETS AND STEEL MILL PRODUCTS.—

(A) STEELMAKING ASSETS.—The term “steelmaking assets” means any land, building, machinery, equipment, or other fixed assets located in the United States which, at any time on or after January 1, 2000, have been used in the activities described in subparagraph (A) or (B) of paragraph (1).

(B) STEEL MILL PRODUCT.—The term “steel mill product” means any product defined by the American Iron and Steel Institute as a steel mill product.

(3) ACQUIRING COMPANY.—The term “acquiring company” means any person which acquired on or after January 1, 2000, steelmaking assets of a

1 qualified steel company with respect to which a
 2 qualifying event has occurred.

3 (c) OTHER DEFINITIONS.—For purposes of this Act:

4 (1) RELATED PERSON.—The term “related per-
 5 son” means, with respect to any person, a person
 6 who—

7 (A) is a member of the same controlled
 8 group of corporations (within the meaning of
 9 section 52(a) of the Internal Revenue Code of
 10 1986) as such person; or

11 (B) is under common control (within the
 12 meaning of section 52(b) of such Code) with
 13 such person.

14 (2) SECRETARY.—The term “Secretary” means
 15 the Secretary of Commerce.

16 (3) TRUST FUND.—The term “Trust Fund”
 17 means the Steel Industry Legacy Relief Trust Fund
 18 established under subtitle C.

19 **TITLE I—STEEL INDUSTRY RE-**
 20 **TIREE BENEFITS PROTEC-**
 21 **TION PROGRAM**

22 **Subtitle A—Establishment**

23 **SEC. 101. ESTABLISHMENT.**

24 There is established a Steel Industry Retiree Benefits
 25 Protection program to be administered by the Secretary

1 and the Board of Trustees of the Trust Fund in accord-
2 ance with the provisions of this Act for the purpose of
3 providing medical benefits to eligible retirees and eligible
4 beneficiaries certified as participants in the program
5 under subtitle B.

6 **Subtitle B—Relief and Assumption**
7 **of Liability, Eligibility, and Cer-**
8 **tification**

9 **SEC. 111. RELIEF AND ASSUMPTION OF LIABILITY.**

10 (a) IN GENERAL.—If—

11 (1) the Secretary certifies under section 112
12 that there was a qualifying event with respect to a
13 qualified steel company,

14 (2) the asset transfer requirements of sub-
15 section (b) are met with respect to the qualifying
16 event, and

17 (3) the qualified steel company and any acquir-
18 ing company assumes their respective liability to
19 make any contributions required under subsection
20 (c),

21 then the United States shall assume liability for the provi-
22 sion of steel retiree benefits for each eligible retiree and
23 eligible beneficiary certified for participation in the retiree
24 benefits program under section 113 (and the qualified
25 steel company, any predecessor or successor, and any re-

1 lated person to such company, predecessor, or successor
2 shall be relieved of any liability for the provision of such
3 benefits). The United States shall be treated as satisfying
4 any liability assumed under this subsection if benefits are
5 provided to eligible retirees and eligible beneficiaries under
6 the retiree benefits program provided in subtitle C.

7 (b) REQUIRED ASSET TRANSFERS.—

8 (1) IN GENERAL.—The requirements of this
9 subsection are met if the qualified steel company
10 and any applicable acquiring company transfer to
11 the Trust Fund all assets, as determined in accord-
12 ance with rules prescribed by the Secretary, which,
13 under the terms of an applicable collective bar-
14 gaining agreement, were required to be set aside
15 under an employee benefit plan or otherwise for the
16 provision of the steel retiree benefits the liability for
17 which (determined without regard to this subsection)
18 is relieved by operation of subsection (a). The assets
19 required to be transferred shall not include vol-
20 untary contributions, including voluntary contribu-
21 tions made pursuant to a voluntary employees bene-
22 ficiary association trust, which are in excess of the
23 contributions described in the preceding sentence.

24 (2) DETERMINATION.—The amount of the as-
25 sets to be transferred under paragraph (1) shall be

1 determined at the time of the certification under sec-
2 tion 112 and shall include interest from the time of
3 the determination to the time of transfer. Such
4 amount shall be reduced by any payments from such
5 assets which are made after the determination by
6 the qualified steel company or applicable acquiring
7 company for the provision of steel retiree benefits
8 for which such assets were set aside and the liability
9 for which (determined without regard to this sub-
10 section) is relieved by operation of subsection (a).

11 (c) CONTRIBUTION REQUIREMENTS.—

12 (1) CONTRIBUTIONS BASED ON OWNERSHIP OF
13 STEELMAKING ASSETS.—

14 (A) IN GENERAL.—If there is a qualifying
15 event certified under section 112 with respect to
16 a qualified steel company—

17 (i) the qualified steel company shall
18 assume the obligation to pay, and

19 (ii) if the qualified steel company
20 transferred on or after January 1, 2000,
21 any of its steelmaking assets, the qualified
22 steel company and any acquiring company
23 acquiring such assets as part of (or after)
24 a qualifying event shall assume the obliga-
25 tion to pay,

1 to the Trust Fund for each of the years in the
2 10-year period beginning on the date of the
3 qualifying event its ratable share of the amount
4 determined under subparagraph (B) with re-
5 spect to the steelmaking assets owned by such
6 company or person.

7 (B) AMOUNT OF LIABILITY.—

8 (i) IN GENERAL.—The amount re-
9 quired to be paid under subparagraph (A)
10 for any year shall be equal to—

11 (I) \$5 per ton of products de-
12 scribed in section 2(b)(1)(A)(i) and
13 (iii), and

14 (II) \$0.30 per ton of products de-
15 scribed in section 2(b)(1)(A)(ii),

16 that are attributable to the steelmaking as-
17 sets which are the subject of the qualifying
18 event and shipped to a person other than
19 a related person. If 2 or more persons own
20 steelmaking capacity or assets, the liability
21 under this clause shall be allocated ratably
22 on the basis of their respective ownership
23 interests. The determination under this
24 clause for any year shall be made on the
25 basis of shipments during the calendar

1 year preceding the calendar year in which
2 such year begins.

3 (ii) REDUCTIONS IN LIABILITY.—The
4 amount of any liability under clause (i) for
5 any year shall be reduced by the amount of
6 any assets transferred to the Trust Fund
7 under subsection (b), reduced by any por-
8 tion of such amount applied to a liability
9 for any preceding year. If 2 or more per-
10 sons are liable under subparagraph (A)
11 with respect to any qualifying event, any
12 reduction with respect to assets transferred
13 to the Trust Fund under subsection (b)
14 shall be allocated ratably among such per-
15 sons on the basis of their respective liabil-
16 ities or in such other manner as such per-
17 sons may agree.

18 (2) JOINT AND SEVERAL LIABILITY.—Any re-
19 lated person of any person liable for any payment
20 under this subsection shall be jointly and severally
21 liable for the payment.

22 (3) TIME AND MANNER OF PAYMENT.—The
23 Secretary shall establish the time and manner of any
24 payment required to be made under this subsection,
25 including the payment of interest.

1 **SEC. 112. QUALIFYING EVENTS.**

2 (a) IN GENERAL.—For purposes of this Act, the term
3 “qualifying event” means any—

- 4 (1) qualified acquisition;
5 (2) qualified closing;
6 (3) qualified election; and
7 (4) qualified bankruptcy transfer.

8 (b) QUALIFIED ACQUISITION.—

9 (1) IN GENERAL.—For purposes of this Act,
10 the term “qualified acquisition” means any arm’s-
11 length transaction or series of related transactions—

12 (A) under which a person described in
13 paragraph (2) (whether or not a qualified steel
14 company) acquires by purchase, merger, stock
15 acquisition, or otherwise all or substantially all
16 of the steelmaking assets held by a qualified
17 steel company as of January 1, 2000; and

18 (B) which occur on and after January 1,
19 2000, and before the date which is 2 years after
20 the date of the enactment of this Act.

21 (2) PERSONS TO WHOM APPLICABLE.—A per-
22 son is described in this paragraph if—

23 (A) such person, or the ultimate parent in
24 such person’s controlled group (within the
25 meaning of section 52(a) of the Internal Rev-

1 enue Code of 1986) was incorporated under the
2 laws of any State as of January 1, 2000; or

3 (B) in any case in which such steelmaking
4 assets are acquired by a person not described in
5 subparagraph (A), such assets are acquired by
6 such person only after the qualified steel com-
7 pany whose assets are being acquired provides
8 public notice of its intention to sell or otherwise
9 transfer substantially all its steelmaking assets,
10 and a period of 6 months has transpired to pro-
11 vide to all persons who are likely to have a sub-
12 stantial interest in making an offer for such as-
13 sets and who meet the requirements of subpara-
14 graph (A) a reasonable opportunity to make a
15 bid for such steelmaking assets.

16 (3) TREATMENT OF RELATED PERSONS.—The
17 term “qualified acquisition” does not include any ac-
18 quisition by a related person.

19 (c) QUALIFIED CLOSING.—For purposes of this Act:

20 (1) IN GENERAL.—The term “qualified closing”
21 means—

22 (A) the permanent cessation on or after
23 January 1, 2000, and before January 1, 2004,
24 by a qualified steel company operating under
25 the protection of chapter 11 or 7 of title 11,

1 United States Code, of all activities described in
2 subparagraph (A) or (B) of paragraph (1) of
3 section 2(b); or

4 (B) the transfer on or after January 1,
5 2000, and before January 1, 2004, by a quali-
6 fied steel company operating under the protec-
7 tion of chapter 11 or 7 of title 11, United
8 States Code, of all or substantially all of its
9 steelmaking assets to 1 or more persons other
10 than related persons in an arms'-length trans-
11 action or series of related transactions which do
12 not constitute a qualified acquisition.

13 (2) COMPANIES IN IMMINENT DANGER OF CLO-
14 SURE.—A qualified closing of a qualified steel com-
15 pany operating under the protection of chapter 11 or
16 7 of title 11, United States Code, shall be treated
17 as having occurred if the company—

18 (A) meets the acquisition effort require-
19 ments of paragraph (3);

20 (B) establishes to the satisfaction of the
21 Secretary that—

22 (i) it is in imminent danger of becom-
23 ing a closed company; or

24 (ii) in the case of a company oper-
25 ating under protection of chapter 11 of

1 title 11, United States Code, it is unable to
2 reorganize without the relief provided
3 under this Act; and

4 (C) elects, in such manner as the Secretary
5 prescribes, at any time after the date of the en-
6 actment of this Act and before the date which
7 is 2 years after the date of the enactment of
8 this Act, to avail itself of the relief provided
9 under this Act.

10 (3) ACQUISITION EFFORT REQUIREMENTS.—

11 (A) IN GENERAL.—The requirements of
12 this paragraph are met by a qualified steel com-
13 pany if—

14 (i) the company files with the Sec-
15 retary within 10 days of the date of the
16 enactment of this Act—

17 (I) a notice of intent to be ac-
18 quired; and

19 (II) a description of the actions
20 the company will undertake to have
21 its steelmaking assets acquired in a
22 qualified acquisition; and

23 (ii) the company at all times after the
24 filing under clause (i) and the date which
25 is 2 years after the date of the enactment

1 of this Act (or, if earlier, the date on which
2 the requirement of paragraph (2)(B) is
3 satisfied) makes a continuing, good faith
4 effort to have its steelmaking assets ac-
5 quired in a qualified acquisition.

6 (B) GOOD FAITH EFFORT.—A continuing,
7 good faith effort under subparagraph (A)(ii)
8 shall include—

9 (i) the active marketing of a com-
10 pany's steelmaking assets through the re-
11 tention of an investment banker, the prep-
12 aration and distribution of offering mate-
13 rials to prospective purchasers, allowing
14 due diligence and investigatory activities by
15 prospective purchasers, the active and good
16 faith consideration of all expressions of in-
17 terest by prospective purchasers, and any
18 other affirmative action designed to result
19 in a qualified acquisition of a company's
20 steelmaking assets; and

21 (ii) a demonstration to the Secretary
22 by the company that no bona fide and fair
23 offer which would have resulted in a quali-
24 fied acquisition of the company's

1 steelmaking assets has been unreasonably
2 refused.

3 (d) QUALIFIED ELECTION.—For purposes of this
4 Act—

5 (1) IN GENERAL.—The term “qualified elec-
6 tion” means an election by a qualified steel company
7 operating under the protection of chapter 11 or 7
8 of title 11, United States Code, meeting the acquisi-
9 tion effort requirements of subsection (c)(3) to
10 transfer its obligations for steel retiree benefits to
11 the retiree benefit program. Such an election shall
12 be made not earlier than the date which is 2 years
13 after the date of the enactment of this Act, and in
14 such manner as the Secretary may prescribe.

15 (2) INDUSTRY-WIDE ELECTION.—Notwith-
16 standing paragraph (1), a qualified election shall be
17 treated as having occurred with respect to a quali-
18 fied steel company (whether or not operating under
19 the protection of chapter 11 or 7 of title 11, United
20 States Code) if—

21 (A) the Secretary determines that at least
22 200,000 eligible retirees and beneficiaries have
23 been certified under section 113 for participa-
24 tion in the retiree benefits program; and

1 (B) the qualified steel company and each
2 labor organization representing at least 10 per-
3 cent of the union-represented employees en-
4 gaged in the steelmaking operations of such
5 qualified steel company join in a request, on or
6 after the date of the determination under sub-
7 paragraph (A), for an election to be provided
8 the relief under this Act.

9 (e) QUALIFIED BANKRUPTCY TRANSFER.—For pur-
10 poses of this Act, the term “qualified bankruptcy trans-
11 fer” means any transaction or series of transactions—

12 (1) under which the qualified steel company,
13 operating under the protection of chapter 11 or 7 of
14 title 11, United States Code, transfers by any means
15 (including but not limited to a plan of reorganiza-
16 tion) its control over at least 50 percent of the pro-
17 duction capacity of its steelmaking assets to 1 or
18 more persons which are not related persons of such
19 company;

20 (2) which are not part of a qualified acquisition
21 or qualified closing of a qualified steel company; and

22 (3) which occur on and after January 1, 2000,
23 and before January 1, 2004.

24 (f) CERTIFICATION.—

1 (1) IN GENERAL.—The Secretary shall certify a
 2 qualifying event with respect to a qualified steel
 3 company if the Secretary determines that the re-
 4 quirements of this Act are met with respect to such
 5 event and that the asset transfer and contribution
 6 requirements of section 111 will be met.

7 (2) TIME FOR DECISION.—The Secretary shall
 8 make any determination under this subsection as
 9 soon as possible after a request is filed (and in the
 10 case of a request for certification as a qualified ac-
 11 quisition filed at least 60 days before the proposed
 12 date of the acquisition, before such proposed date).

13 (3) ELIGIBILITY TO FILE REQUEST.—A request
 14 for certification under this subsection may be made
 15 by the qualified steel company or any labor organi-
 16 zation acting on behalf of retirees of such company.

17 **SEC. 113. ELIGIBILITY AND CERTIFICATION.**

18 (a) RETIREES.—

19 (1) IN GENERAL.—Any individual who is a re-
 20 tiree of a qualified steel company with respect to
 21 which the Secretary has certified under section 112
 22 that a qualifying event has occurred shall be treated
 23 as an eligible retiree for purposes of this Act if—

24 (A) the individual was receiving steel re-
 25 tiree benefits under an employee benefit plan

1 described in section 2(a)(2)(A) as of the date of
2 the qualifying event; or

3 (B) the individual was eligible for such
4 benefits on such date but was not receiving
5 such benefits on such date because the plan had
6 ceased, within the 2-year period ending with
7 such date, to provide such benefits.

8 (2) CERTAIN INDIVIDUALS INCLUDED.—An in-
9 dividual shall be treated as an eligible retiree under
10 paragraph (1) if the individual—

11 (A) was an employee of the qualified steel
12 company before a qualified acquisition;

13 (B) became an employee of the acquiring
14 company as a result of the acquisition; and

15 (C) voluntarily retires within 3 years of the
16 acquisition.

17 (b) BENEFICIARIES.—An individual shall be treated
18 as an eligible beneficiary for purposes of this Act if the
19 individual is—

20 (1) the spouse, surviving spouse, or dependent
21 of an eligible retiree, or

22 (2) the surviving spouse of an employee of a
23 qualified steel company who died within 5 years
24 prior to the date of the qualifying event, if such em-
25 ployee, based on service credited as of the date of

1 the employee's death, would have been an eligible re-
2 tiree if the employee had survived until the date of
3 the qualifying event and retired on such date.

4 (c) CERTIFICATION OF ELIGIBLE RETIREES AND
5 BENEFICIARIES.—

6 (1) IN GENERAL.—The Board of Trustees of
7 the Trust Fund shall certify an individual as an eli-
8 gible retiree or eligible beneficiary if the individual
9 meets the requirements of this section.

10 (2) ELIGIBILITY TO FILE REQUEST.—A request
11 for certification under this subsection may be filed
12 by any individual seeking to be certified under this
13 subsection, the qualified steel company, an acquiring
14 company, a labor organization acting on behalf of
15 retirees of such company, or a committee appointed
16 under section 1114 of title 11, United States Code.

17 (d) RECORDS.—A qualified steel company, an acquir-
18 ing company, and any successor in interest shall on and
19 after the date of the enactment of this Act maintain and
20 make available to the Secretary and the Board of Trustees
21 of the Trust Fund, all records, documents, and materials
22 (including computer programs) necessary to make the cer-
23 tifications under this section.

1 **Subtitle C—Program Benefits**

2 **SEC. 121. PROGRAM BENEFITS.**

3 (a) GENERAL RULE.—Each eligible retiree and eligi-
4 ble beneficiary who is certified for participation in the re-
5 tiree benefits program shall be entitled to receive health
6 care benefits coverage described in subsection (b).

7 (b) HEALTH CARE BENEFITS COVERAGE.—

8 (1) IN GENERAL.—The Board of Trustees of
9 the Trust Fund shall establish health care benefits
10 coverage under which—

11 (A) eligible retirees and eligible bene-
12 ficiaries who are not eligible for benefits under
13 title XVIII of the Social Security Act are pro-
14 vided benefits (including deductibles and cost-
15 sharing and beneficiary protections, including
16 appeals rights) for health care items and serv-
17 ices that are equal to or better than the benefits
18 offered under such title as of January 1, 2002,
19 and

20 (B) all eligible retirees and eligible bene-
21 ficiaries are provided benefits for prescription
22 drugs that are substantially the same as the
23 benefits (including deductibles and cost-sharing
24 and beneficiary protections, including appeals
25 rights) offered as of January 1, 2002, under

1 the Blue Cross/Blue Shield Standard Plan pro-
2 vided under the Federal Employees Health
3 Benefit Program under chapter 89 of title 5,
4 United States Code, to Federal employees and
5 annuitants.

6 (2) APPLICATION OF SECONDARY PAYOR PROVI-
7 SIONS.—

8 (A) MEDICARE BENEFITS.—In applying
9 paragraph (1)(A), the secondary payor provi-
10 sions of section 1862(b) of the Social Security
11 Act shall apply to the benefits described in such
12 paragraph in the same manner as they apply
13 with respect to individuals who are 65 years of
14 age or older and who are entitled to benefits
15 under part A and enrolled under part B of title
16 XVIII of such Act.

17 (B) FEHBP OUTPATIENT PRESCRIPTION
18 DRUG BENEFITS.—In applying paragraph
19 (1)(B), the applicable secondary payor provi-
20 sions of the Plan referred to in such paragraph
21 shall apply to the benefits described in such
22 paragraph in the same manner as they apply
23 with respect to Federal employees and annu-
24 itants under such Plan who are eligible for ben-

1 efits under the medicare program under title
2 XVIII of the Social Security Act.

3 (3) CONTRACTING AUTHORITY.—The Board of
4 Trustees of the Trust Fund shall have the authority
5 to enter into such contracts as are necessary to
6 carry out the provisions of this subsection, including
7 contracts necessary to ensure adequate geographic
8 coverage and cost control.

9 (4) PREMIUMS.—The Board of Trustees of the
10 Trust Fund shall establish each year a monthly pre-
11 mium for each eligible retiree and beneficiary pro-
12 vided health care benefits coverage under paragraph
13 (1) which is equal to the sum of—

14 (A) the monthly premium required under
15 part B of title XVIII of the Social Security Act
16 (without regard to any late enrollment pen-
17 alties) for months in the year; and

18 (B) the product of—

19 (i) the monthly premium required of a
20 full-time Federal employee for the Stand-
21 ard Plan coverage referred to in paragraph
22 (1)(B); and

23 (ii) the ratio (as established by the
24 Board of Trustees of the Trust Fund, in

1 consultation with the Office of Personnel
2 Management) of—

3 (I) the actuarial value of out-
4 patient prescription drug benefits de-
5 scribed in paragraph (1)(B); to

6 (II) the actuarial value, as of
7 January 1, 2002, of all benefits under
8 the Standard Plan referred to in such
9 paragraph.

10 (c) PERIODIC REPORTS TO THE CONGRESS.—Not
11 later than January 1, 2007, and not less frequently than
12 every 5 years thereafter, the Board of Trustees of the
13 Trust Fund shall report to each House of the Congress
14 concerning any recommendations of the Board of Trustees
15 for changes in—

16 (1) the benefits provided under the health care
17 benefits coverage established under this section; and

18 (2) the premiums charged for such coverage.

19 **TITLE II—STEEL INDUSTRY** 20 **LEGACY RELIEF TRUST FUND**

21 **SEC. 201. STEEL INDUSTRY LEGACY RELIEF TRUST FUND.**

22 (a) CREATION OF TRUST FUND.—There is estab-
23 lished in the Treasury of the United States a trust fund
24 to be known as the Steel Industry Legacy Relief Trust

1 Fund, consisting of such amounts as may be appropriated
2 to the Trust Fund as provided in this section.

3 (b) TRANSFERS TO TRUST FUND.—

4 (1) IN GENERAL.—There are appropriated to
5 the Trust Fund amounts equivalent to—

6 (A) tariffs on steel mill products received
7 in the Treasury under title II of the Trade Act
8 of 1974;

9 (B) amounts received in the Treasury from
10 asset transfers and contributions under section
11 111;

12 (C) amounts credited to the Trust Fund
13 under subsection (e); and

14 (D) the premiums paid by retirees under
15 the program.

16 (2) AUTHORIZATION OF APPROPRIATIONS.—

17 There is authorized to be appropriated to the Trust
18 Fund each fiscal year an amount equal to the excess
19 (if any) of—

20 (A) expenditures from the Trust Fund for
21 the fiscal year; over

22 (B) the assets of the Trust Fund for the
23 fiscal year without regard to this paragraph.

1 (c) EXPENDITURES.—Amounts in the Trust Fund
2 shall be available only for purposes of making
3 expenditures—

4 (1) to meet the obligations of the United States
5 with respect to liability for steel retiree benefits
6 transferred to the United States under this Act; and

7 (2) incurred by the Secretary and the Board of
8 Trustees in the administration of this Act.

9 (d) BOARD OF TRUSTEES.—

10 (1) IN GENERAL.—The Trust Fund and the re-
11 tiree benefits program shall be administered by a
12 Board of Trustees, consisting of—

13 (A) 2 individuals designated by agreement
14 of the 5 qualified steel companies which, as of
15 the date of the enactment of this Act—

16 (i) are conducting activities described
17 in subparagraph (A) or (B) of section
18 201(b)(1); and

19 (ii) have the largest number of retir-
20 ees;

21 (B) 2 individuals designated by the United
22 Steelworkers of America in consultation with
23 the Independent Steelworkers Union; and

24 (C) 3 individuals designated by individuals
25 designated under subparagraphs (A) and (B).

1 (2) DUTIES.—Except for those duties and re-
2 sponsibilities designated to the Secretary, the Board
3 of Trustees shall have the responsibility to admin-
4 ister the Trust Fund and the retiree benefits pro-
5 gram, including—

6 (A) enrolling eligible retirees and bene-
7 ficiaries under the program;

8 (B) procuring the medical services to be
9 provided under the program;

10 (C) entering into contracts, leases, or other
11 arrangements necessary for the implementation
12 of the program;

13 (D) implementing cost-containment meas-
14 ures under the program;

15 (E) collecting revenues and enforcing
16 claims and rights of the program and the Trust
17 Fund;

18 (F) making disbursements as necessary
19 under the program; and

20 (G) acquiring and maintaining such
21 records as may be necessary for the administra-
22 tion and implementation of the program.

23 (3) REPORT.—The Board of Trustees report to
24 Congress each year on the financial condition and
25 the results of the operations of the Trust Fund dur-

1 ing the preceding fiscal year and on its expected
2 condition and operations during the next 2 fiscal
3 years. Such report shall be printed as a House docu-
4 ment of the session of Congress to which the report
5 is made.

6 (e) TRANSFER OF AMOUNTS; MANAGEMENT OF
7 FUNDS.—

8 (1) TRANSFER OF AMOUNTS.—The amounts
9 appropriated to the Trust Fund shall be transferred
10 at least monthly from the general fund of the Treas-
11 ury to such Trust Fund on the basis of estimates
12 made by the Secretary of the Treasury of the
13 amounts referred to in such section. Proper adjust-
14 ments shall be made in the amounts subsequently
15 transferred to the extent prior estimates were in ex-
16 cess of or less than the amounts required to be
17 transferred.

18 (2) MANAGEMENT OF TRUST FUND.—

19 (A) REPORT.—It shall be the duty of the
20 Secretary of the Treasury to hold the Trust
21 Fund and (after consultation with the Board of
22 Trustees of the Trust Fund) to report to the
23 Congress each year on the financial condition
24 and the results of the operations of the Trust
25 Fund during the preceding fiscal year and on

1 its expected condition and operations during the
2 next 5 fiscal years. Such report shall be printed
3 as a House document of the session of the Con-
4 gress to which the report is made.

5 (B) INVESTMENT.—

6 (i) IN GENERAL.—It shall be the duty
7 of the Secretary of the Treasury to invest
8 such portion of the Trust Fund as is not,
9 in his or her judgment, required to meet
10 current withdrawals. Such investments
11 may be made only in interest-bearing obli-
12 gations of the United States. For such
13 purpose, such obligations may be
14 acquired—

15 (I) on original issue at the issue
16 price; or

17 (II) by purchase of outstanding
18 obligations at the market price.

19 (ii) SALE OF OBLIGATIONS.—Any ob-
20 ligation acquired by the Trust Fund may
21 be sold by the Secretary of the Treasury at
22 the market price.

23 (iii) INTEREST ON CERTAIN PRO-
24 CEEDS.—The interest on, and the proceeds
25 from the sale or redemption of, any obliga-

- 1 tions held in the Trust Fund shall be cred-
- 2 ited to and form a part of the Trust Fund.

